

§ 1315.18

P is the amount of principle or invoice amount;
r equals the Prompt Payment interest rate; and
d equals the numbers of days for which interest is being calculated.

(2) For example, if a payment is due on April 1 and the payment is not made until April 11, a simple interest calculation will determine the amount of interest owed the vendor for the late payment. Using the formula above, at an invoice amount of \$1,500 paid 10 days late and an interest rate of 6.5%, the amount of interest owed is calculated as follows:

$$\$1,500 (.065/360*10) = \$2.71$$

(c) *Monthly compounding interest formula.* (1) To calculate interest as required in § 1315.10(a)(3), the following formula may be used:

$$P(1+r/12)^n - P$$

Where:

P equals the principle or invoice amount;
r equals the interest rate;
n equals the number of months; and
d equals the number of days for which interest is being calculated.

(2) The first part of the equation calculates compounded monthly interest. The second part of the equation calculates simple interest on any additional days beyond a monthly increment.

(3) For example, if the amount owed is \$1,500, the payment due date is April 1, the agency does not pay until June 15 and the applicable interest rate is 6 percent, interest is calculated as follows:

$$\$1,500(1+.06/12)^2 * (1+(0.06/360*15)) - \$1,500 = \$18.83$$

§ 1315.18 Inquiries.

(a) *Regulation.* Inquiries concerning this part may be directed in writing to the Department of the Treasury, Financial Management Service (FMS), Cash Management Policy and Planning Division, 401 14th Street, SW, Washington, DC 20227, (202) 874-6590, or by calling the Prompt Payment help line at 1-800-266-9667, by emailing questions to FMS_prompt.inquiries@fms.sprint.com, or by completing a Prompt Payment inquiry form available at www.fms.treas.gov/prompt/inquiries.html.

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(b) *Applicable interest rate.* The rate is published by the Fiscal Service, Department of the Treasury, semiannually in the FEDERAL REGISTER on or about January 1 and July 1. The rate also may be obtained from the Department of Treasury's Financial Management Service (FMS) at 1-800-266-9667. This information is also available at the FMS Prompt Payment Web Site at <http://www.fms.treas.gov/prompt/index.html>.

(c) *Agency payments.* Questions concerning delinquent payments should be directed to the designated agency office, or the office responsible for issuing the payment if different from the designated agency office. Questions about disagreements over payment amount or timing should be directed to the contracting officer for resolution. Small business concerns may obtain additional assistance on payment issues by contacting the agency's Office of Small and Disadvantaged Business Utilization.

§ 1315.19 Regulatory references to OMB Circular A-125.

This part supercedes OMB Circular A-125 ("Prompt Payment"). Until revised to reflect the codification in this part, regulatory references to Circular A-125 shall be construed as referring to this part.

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